

2007-2008 PERFORMANCE PLAN – Sr. Portfolio Manager / Fixed Income (W. Trepeta) Page 1 of 2

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal— CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
20%	CalPERS Internal Sovereign	Net of Fees, excess return in basis points relative to: Internal Sovereign— CalPERS Sov {SW1F—CALSOVE2}	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
10%	CalPERS Duration Management	Net of Fees, excess return in basis points relative to: Duration Management— LB Treasury 7-10 {SWDR—WFAD}	0 basis points = 0 +40 basis points = 1.0 +60 basis points=1.5
5%	CalPERS Internal Governments	Net of Fees, excess return in basis points relative to: Internal Governments – CalPERS Custom Government {SW1H – CALCTI2}	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
5%	Active International Fixed Income Managers	Net of Fees, excess returns in basis points relative to: Aggregate of the International Fixed Income Managers -CalPERS World Govt X US {SJDCA1 – CALWGXU2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
5%	Internal Passive Currency Overlay Management	Net of Fees, return in basis points relative to: Passive currency overlay portfolio – PERS PARETO CCR {SW5PB – YET2}	-50 basis points = 0 -30 basis points = 1.0 -20 basis points = 1.5
10%	CalPERS Total Fund Performance	Net of Fees, excess return in basis points relative to total fund performance benchmark. Comp-PERS Total Fund All Portfolios- CalPERS Policy Index (Daily) {SJ1CA1 – CPERSTO2}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
85%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) • Succession Plan (e.g., training and developing strong internal candidates to potentially fill my role in the future) 	From Schedule
15%	Subtotal	Quantitative Measures	
100%	Total	Quantitative and Qualitative Measures	